

Exhibit A

341 Meeting of Creditors

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1 2021 as well as the expenses that were raised related to
2 growth and really just paying out too high rewards. We
3 didn't have the right (indiscernible) support, kind of the
4 operations. And because of that and the losses and the
5 eroded positions in coins and the (indiscernible) all of
6 which kind of add up to be the equity hole.

7 MR. COLODNY: So I heard a couple different
8 things. So let me just explore them a little bit. So the
9 first one you said is the losses in 2020 and 2021; is that
10 correct?

11 MR. FERRARO: Yes.

12 MR. COLODNY: And then the second one was paying
13 out too high of rewards?

14 MR. FERRARO: Yes, and not charging fees.

15 Correct.

16 MR. COLODNY: And are there any other things that
17 contributed to this mismatch in assets and liabilities in
18 BTC?

19 MR. FERRARO: The high -- the high expense base
20 that was built for growth. I mentioned earlier we were
21 about 900 employees in May.

22 MR. COLODNY: And so how does the company's
23 expenses contribute to the mismatch in BTC assets to BTC
24 liabilities?

25 MR. FERRARO: Well, at the end of the day, right,

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1 we have to fund the operational expenses. So as coin
2 (indiscernible) fungible, some of these positions were
3 either used to borrow with Tether that were later liquidated
4 or were used to (indiscernible) to fund the operations. All
5 of that at the end of the day results in kind of coin being
6 used in cash for operations contributing to the equity hole.

7 MR. COLODNY: Okay. So I'm sure we will talk
8 about a lot more of these later. But I want to focus on the
9 hole right now. When did you first become aware of this
10 mismatch in assets to liabilities in BTC specifically?

11 MR. FERRARO: We'll have to get back to you on
12 that. I'm prepared to talk to you today about kind of the
13 current financial condition. We are pulling together kind
14 of what we believe contributed and the time horizon to the
15 equity hole. But I'm not ready to discuss that yet.

16 MR. COLODNY: So today you couldn't tell me when
17 you yourself became aware of this mismatch in assets and
18 liabilities?

19 MR. FERRARO: Well, you know, part of it was when
20 we had the mismatch, you know, when the sell token really
21 sold off because we have a net sell position. That really
22 deteriorated our equity position. So our equity position,
23 you know, at the first quarter, sell was at, you know, \$3.50
24 versus where it was around the (indiscernible) call it 50
25 cents. That contributed to a massive rapid decline in our

1 equity.

2 MR. COLODNY: Right. But that doesn't answer my
3 question. My question is when did you, Chris Ferraro,
4 become aware of this mismatch between bitcoin assets and
5 liabilities.

6 MR. FERRARO: We've been -- I believe we started --
7 - I'll have to go back. This would have been probably a
8 mismatch that was starting to grow around when the whole
9 LUNA Terra situation played out in May (indiscernible) --

10 MR. COLODNY: So what (indiscernible) do you
11 believe you first became of the mismatch in May of 2022?

12 MR. FERRARO: I started in late March. So there's
13 a ramp-up for me to even understand the reporting. So I'm
14 just not prepared to answer that right now.

15 MR. COLODNY: Okay. What actions has the company
16 taken to try to close this gap in assets and liabilities of
17 bitcoin?

18 MR. FERRARO: Well, it's important to note that,
19 you know, since May, we have been laser focused on kind of
20 cutting costs. I talked about the cuts in the employees,
21 but also the non-labor costs we reduced by 75 percent. We
22 talked a little bit about kind of rationalizing the mining
23 expansion in order to get more profitability so we can
24 return more net coins to the estate.

25 But, you know, with the position that we're in,

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1 where really all of the deployment has been pulled back, we
2 have very low earning capacity. As I stated earlier, the
3 plan was to reduce reward rates, introduce fees and reduce
4 costs. That would have helped. It would have taken time.
5 We just didn't have the luxury of it with what happened with
6 the marketplace.

7 MR. COLODNY: So the company was implementing a
8 plan to reduce costs and --

9 MR. FERRARO: Yes.

10 MR. COLODNY: What were you doing on the gain
11 side? What were you doing to try to generate more bitcoin
12 to fill the hole?

13 MR. FERRARO: Yeah. The product and technology
14 team was looking at introducing fees across our product set.
15 And the big (indiscernible) was reducing the reward rates we
16 pay to the community.

17 MR. COLODNY: So is the yield that Celsius
18 promised to customers one of the primary reasons that it was
19 not able to match its assets to liabilities?

20 MR. FERRARO: Yeah. The high reward rates did not
21 provide revenue support, net revenue support to build up
22 capital to fix any sort of mismatches in the balance sheet.
23 We were going through that in May. We had an expense
24 rationalization program enterprise-wise as well as, as I
25 say, product and tech were working on the fee release. This

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1 would have taken time. We also were looking into, you know,
2 with the tough place in the marketplace, so you wanted to
3 turn your company around and make it profitable with the
4 hopes of raising -- more fund raising. But we never got --
5 we didn't have enough time to get that underway.

6 MR. COLODNY: So did the company's return that it
7 was receiving on its investments support the amount of yield
8 it was paying out to customers?

9 MR. FERRARO: In hindsight, it does not -- it does
10 not look as though we had enough yield to support what we
11 were paying out. I believe our payout ratio, according to
12 2021, these are non-audited -- we're currently going through
13 the audit of the 2021 financial results. But we paid out
14 over a hundred percent of the yield that we took in from
15 deployments excluding (indiscernible) so yeah --

16 MR. COLODNY: You paid out over a hundred percent
17 of the yield?

18 MR. FERRARO: Yeah. We were north of the hundred
19 -- north of the 80 and over a hundred in many of the months.
20 Yes.

21 MR. COLODNY: And was it significantly over a
22 hundred percent of the yield?

23 MR. FERRARO: No. When we took -- there were
24 periods in which we'd take the margin sell-off in the first
25 quarter when we took some trading losses. So that kind of

1 compressed what we were earning and that made it go
2 immediately to the 120, 130 percent. But that was not
3 anticipated.

4 MR. COLODNY: Okay. I'm being asked to wrap it up
5 so the creditors can ask questions. So I'm going to move
6 on. But I'm sure we will be talking about this a lot in the
7 future.

8 MR. FERRARO: Very good. Thank you.

9 MR. COLODNY: All right. I'm trying to see what I
10 can -- trying to see what I can cut out here. So I want to
11 go to kind of right before the petition date.

12 So Mr. Mashinsky's declaration, he says that in
13 five days in May of 2022, Celsius users withdrew over \$1
14 billion in USD -- that's the currency -- from the Celsius
15 platform. Do you know the total amount that was withdrawn
16 from the Celsius platform in the three months before the
17 bankruptcy filing?

18 MR. FERRARO: I believe the number was \$2 billion
19 that was withdrawn from the platform.

20 MR. COLODNY: So in the 90 days before the
21 bankruptcy filing, you believe \$2 billion was withdrawn from
22 the platform?

23 MR. FERRARO: Yeah. It all started at the tailing
24 end of May.

25 MR. COLODNY: And do you know what the total

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1 amount that was withdrawn from the platform was in the year
2 before the bankruptcy filing?

3 MR. FERRARO: I do not. Again, my tenure does not
4 go back that far. I've only been in the CFO role, you know,
5 for the days leading up to the filing, I was not involved in
6 a lot of these topics given my short period of time, so no.

7 MR. COLODNY: Do you know if any amounts in the 90
8 days before filing were withdrawn by executive managers or
9 other employees of the company?

10 MR. FERRARO: I do not. But I believe that the
11 statements and schedules that we plan to file in September
12 will address this question and have all the information.

13 MR. COLODNY: Are you aware of any significant
14 transfers that were made to executive managers or employees
15 in the year prior to the petition date?

16 MR. FERRARO: I am not aware. Again, with my
17 tenure at the firm being short, I do not know. But that
18 information should be --

19 MR. COLODNY: And --

20 MR. FERRARO: -- provided in the statements and
21 schedules (indiscernible) --

22 MR. COLODNY: Okay, and on June 12, 2022, the
23 company halted all withdrawals from the site, correct?

24 MR. FERRARO: Yes.

25 MR. COLODNY: Are you aware of any withdrawals